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and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

PACIFIC GAS AND ELECTRIC COMPANY,

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)
Chapter 11
(Lead Case)
(Jointly Administered)

**DECLARATION OF JOHN BOKEN
IN SUPPORT OF MOTION OF DEBTORS
PURSUANT TO 11 U.S.C. § 1121(d)
TO EXTEND THE EXCLUSIVE
SOLICITATION PERIOD**

Hearing Date: December 11, 2019
Time: 10:00 a.m. (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102
Judge: Hon. Dennis Montali

1 I, John Boken, pursuant to 28 U.S.C. § 1746, hereby declare that the following is true
2 to the best of my knowledge, information, and belief:

3 1. I am a Managing Director in the Turnaround and Restructuring Services
4 practice of AlixPartners, LLP, an affiliate of both AlixPartners, LLC and AP Services, LLC, which
5 provides interim management services to PG&E Corporation and Pacific Gas and Electric
6 Company, as debtors and debtors-in-possession (collectively, “**PG&E**” or the “**Debtors**”)¹ in the
7 above-captioned Chapter 11 Cases (the “**Chapter 11 Cases**”). I currently serve as the Deputy Chief
8 Restructuring Officer for the Debtors as authorized by this Court by Order dated April 9, 2019
9 [Docket No. 1299].²

10 2. Except as otherwise indicated herein, the facts set forth in this Declaration are
11 based upon my personal knowledge, my review of relevant documents, and information provided
12 to me by the Debtors’ employees or the Debtors’ legal, restructuring, and financial advisors. If
13 called upon to testify, I would testify competently to the facts set forth in this Declaration. I am
14 authorized to submit this Declaration on behalf of the Debtors. I submit this Declaration in support
15 of the *Motion of Debtors Pursuant to 11 U.S.C. § 1121(d) to Extend the Exclusive Solicitation*
16 *Period* (the “**Motion**”) filed contemporaneously herewith.

17 3. These Chapter 11 Cases are among the largest chapter 11 filings in U.S.
18 history. The Debtors employ approximately 24,000 employees and operate one of the largest
19 electricity and natural gas utilities in the United States – servicing approximately 16 million
20 customers throughout a 70,000-square-mile service area in northern and central California. The
21 Debtors own and operate approximately 136 generating facilities, nine (9) natural gas compressor
22 stations, over 120,000 circuit miles of electric transmission and distribution lines, and nearly 50,000

23 _____
24 ¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such
25 terms in the Motion.

26 ² My education, background, and professional experience is described in the *Declaration of John*
27 *Boken in Further Support of First Day Motions and Related Relief* [Docket No. 653] at 2–3.
28

1 miles of natural gas transmission and distribution pipelines. The Debtors have approximately \$51.7
2 billion in prepetition liabilities on a book value basis, and thousands of claims arising out of or
3 relating to the wildfires that occurred in Northern California in 2017 and 2018.

4 4. I believe the Debtors have made significant progress in the administration of
5 these Chapter 11 Cases. During the initial stages of these Chapter 11 Cases, the Debtors' resources
6 were devoted to successfully assuring a smooth transition into chapter 11 and minimizing the
7 business disruptions normally attendant thereto, and maintaining relationships with the Debtors'
8 business partners. During this period, the Debtors have interfaced extensively with the official and
9 unofficial committees functioning in these cases, responding to a multitude of requests for
10 information. The number of parties that have appeared in these Chapter 11 Cases and the number
11 of hearings and contested matters that have been held before the Court are both significant.
12 Establishing a bar date and noticing procedures alone took several months, with the bar date being
13 set for October 21, 2019, which was recently extended for wildfire claimants to December 31, 2019,
14 by agreement of the Debtors and the TCC.

15 5. The Debtors have made substantial progress in the Plan process. There are
16 currently two competing plans on file with the Court: the Debtors' Plan and the TCC/Noteholder
17 Plan. With respect to the Debtors' Plan, the Debtors have achieved two critical settlements of their
18 wildfire liabilities to be satisfied and discharged pursuant to their Plan. The first settlement fully
19 resolves all of the wildfire claims held by the 18 settling Public Entities for the aggregate amount
20 of \$1 billion. The second settlement fully resolves all of the claims held by Subrogation Claimants
21 in the asserted amount of approximately \$20 billion for consideration in the amount of \$11 billion,
22 representing a 45% reduction. In addition to the two settlements discussed above, the Debtors' Plan
23 also is backed by equity commitments which serve as the foundation for the equity portion of a
24 comprehensive financing package that will fund the plan and the Debtors' timely emergence from
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1 chapter 11. The CPUC review process is also underway, and I believe the Debtors' Plan is on track
2 to meet the June 30, 2020 deadline imposed by AB 1054.

3 6. Notwithstanding the progress outlined above, certain contingencies still exist
4 that warrant the requested extension. These include getting more clarity on the magnitude of the
5 wildfire liabilities held by the constituency represented by the TCC. This is the subject of ongoing
6 proceedings before the United States District Court, the California Superior State Court, as well as
7 this Court. I understand that the estimation proceeding before the District Court is scheduled to
8 commence February 18, 2019 and is expected to last two to three weeks. There are also certain
9 other preliminary plan-related issues raised by the Court, including whether wildfire claims asserted
10 by certain public or private entities are subject to estimation, and postpetition interest rate and make-
11 whole issues related to funded debt claims and their proposed treatment under a plan. I understand
12 that these issues have been scheduled for briefing between now and January 2020. In light of these
13 issues and contingences, filing a proposed Disclosure Statement with respect to either or both of the
14 competing chapter 11 plans is still premature. I believe the Debtors have made substantial progress
15 in the administration of these Chapter 11 Cases and the Exclusive Solicitation Period should be
16 extended as requested so the Debtors, subject to the relief granted by the Court in the Exclusivity
17 Termination Order with respect to the TCC/Noteholder Plan.

18 7. The Debtors are not seeking an extension of the Exclusive Solicitation Period
19 as a negotiation tactic to delay the administration of these Chapter 11 Cases or to pressure creditors
20 to support the Debtors' Plan. Rather, the requested extensions recognize the current posture of
21 these cases and the time needed to successfully complete the plan process.

22 8. The Debtors have obtained a \$5.5 billion DIP facility, are current on
23 payment of their postpetition obligations, and have sufficient liquidity to pay their undisputed
24 administrative expenses in the ordinary course.
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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct and that this Declaration was executed in Los Angeles, California, on November 20, 2019.


By: John Boken